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S E C R E T SANAA 000503

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STATE FOR EB/ESC/ESP (GGLASS), S/CT (FOX), NEA (GRAPO AND HEFFERNAN), TREASURY FOR GENERAL COUNSEL (DAUFHAUSER), OFAC DIRECTOR (RNEWCOMB), DAS FOR TERRORISM AND VIOLENT CRIMES (JZARATE), AND TASK FORCE ON TERRORISM FINANCING

E.O. 12958: DECL: 03/10/2013

TAGS: [CVIS](#) [ETTC](#) [EFIN](#) [PTER](#) [PREL](#) [KVPR](#) [YM](#) [TERFIN](#)

SUBJECT: TERRORIST FINANCE: NEXT STEPS REGARDING SABAA BANK

REF: 2002 STATE 252456

Classified By: AMB: EJHULL FOR REASONS 1.5 (B) AND (D)

1. (S/NF) Embassy Sanaa has now reviewed the targeting report noted in para three/reftel. While the report cited several disturbing examples that may implicate Saba Islamic Bank (SIB) in supporting terrorist financing, the report also stated that the USG had information only on a few specific transactions through SIB by terrorists and that these did not specify complicity of bank officials. Embassy Sanaa believes that it would not be prudent to designate SIB without more and better information to substantiate its possible role in terrorist financing.

2. (S/NF) Embassy Sanaa will review and follow up on the various sub-reports cited in the targeting report; we note that these were submitted over several years and may involve issues of context, changed circumstances, and information overtaken by events. We will seek additional, up-to-date information on the ownership of SIB and the activities of Hamid Al-Ahmar in particular.

3. (S/NF) We assume as well that U.S. investigators working the cases of Sheikh Mohammed Hasan Ali Al-Moayad and the so-called "Yemeni money-laundering" ring in the U.S. will be seeking any information that might substantiate SIB and Al-Ahmar activities in terrorist financing. We note that the targeting report, which was compiled prior to the arrest of Sheikh Al-Moayad and to publication of news about the money-laundering case, made reference to both of these. Further investigation along these lines may therefore be directly relevant.

4. (S/NF) As Embassy Sanaa noted in our previous message on this issue (2002 Sanaa 3726), we believe that designation of Shaykh 'Abd al-Majid Al-Zindani could serve U.S. counter-terrorism interests, especially if we can tie him to Al-Qa'ida, and get UN endorsement. Our belief is that USG efforts should give primary focus to Shaykh Al-Zindani's history and activities, and that this is more likely to produce results that could lead to ROYG decisions in our mutual interests. Hamid Al-Ahmar and Sabaa Islamic Bank may be secondary/secondary targets for subsequent action as further supporting information becomes available. In any event, prior to possible designation of Al-Zindani, Hamid Al-Ahmar, and/or Sabaa Islamic Bank, we need to develop additional evidence, and follow where that evidence may lead with appropriate decisions.

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